LIFE INSURANCE – SAVINGS
FOREVER LOVE COUPON PLAN 5 (FLCP5)

A LOVE THAT PLANS FOR THE FUTURE

Forever Love Coupon Plan 5 helps you accumulate wealth and make promises that endure.

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AIA International Limited
(Incorporated in Bermuda with limited liability)

HEALTHIER, LONGER, BETTER LIVES

Let your love pave the way to a happy future for your dearest ones with Forever Love Coupon Plan 5

A wealth accumulation plan that pays out guaranteed cash payments.

To help you weather life's trials, the plan's Family Protection Benefit will waive future premiums under the policy if the parent of the insured child or the spouse of the insured adult passes away, letting you provide shelter for those you love. With the assurance of a stable and long-term income as well as an extended safety net for your family, you can live happier lives – together.

Accumulate wealth for a prosperous future

Forever Love Coupon Plan 5 is a **participating insurance plan** that provides you with guaranteed cash value, guaranteed cash payments, as well as non-guaranteed annual cash amounts called Annual Dividends, which begin from the end of the 10th policy year. You may choose to receive the Annual Dividends in cash or use them to reduce any premium due under this policy. Otherwise, these sums shall accumulate in your policy, potentially earning interest.

Also, once the policy has been in force for 10 years or more, we will provide you with a non-guaranteed one-off payment, called a Terminal Dividend if:

i. you surrender the policy; or

ii. the insured (who is the person protected under the policy) passes away.

Guaranteed cash payments

To help you achieve greater financial flexibility, **Forever Love Coupon Plan 5** distributes two types of guaranteed cash payments, which you can start receiving in a year at the soonest, according to the table below.

Type	Premium Payment Term	Distribution Period		Amount
Annual guaranteed cash payments	6 years	From the end of the 1st policy year	until the insured reaches the age of 100	**2.1%** of the principal amount paid at the end of each policy year
	10 years	From the end of the 2nd policy year		
	15 or 20 years	From the end of the 3rd policy year		
Additional guaranteed cash payments	6 years	From the end of the 1st policy year	until the end of the 20th policy year	**0.4%** of the principal amount paid at the end of each policy year
	10 years	From the end of the 2nd policy year		
	15 or 20 years	From the end of the 3rd policy year		

The principal amount is used to calculate premium and relevant policy values and will not be payable as death benefit (except in the case of the accidental death benefit).

You may choose to withdraw the guaranteed cash payments while the policy is in force. Otherwise these payments shall accumulate interest in the policy at rates declared by us, paving the way for a more comfortable future.

"AIA", "the Company", "We", "our" or "us" herein refers to **AIA International Limited** (Incorporated in Bermuda with limited liability).

If the worst should happen

If the insured passes away, we will pay the death benefit to the person whom you select in your policy as beneficiary. The death benefit will include:

i. guaranteed cash value; or the remaining balance of 105% of the total premiums paid for your basic plan after the deduction of any guaranteed cash payments paid, whichever is higher;

ii. any guaranteed cash payments that have accumulated with interest under the policy;

iii. any Annual Dividends that have accumulated with interest under the policy; plus

iv. any Terminal Dividend.

We will deduct all outstanding debt under your policy before we make the payment to the beneficiary.

If the insured passes away due to a covered accident within the first 12 months of the policy, **Forever Love Coupon Plan 5** also pays a benefit equal to the principal amount for your basic plan in addition to the above death benefit. The maximum aggregate amount of this additional benefit under all **Forever Love Coupon Plan 5** policies for the same insured will be US$100,000.

Flexible premium payment terms

Forever Love Coupon Plan 5 is denominated in US dollars, and starts from a minimum principal amount of US$5,000. You can select from four premium payment terms according to your personal financial needs and premium amounts are guaranteed to be fixed throughout the premium payment term, which makes you enjoy long-lasting and in-depth wealth planning.

Premium Payment Term	Insured's Age at Application	Benefit Term
6 years	15 days to age 65	Whole Life
10 years	15 days to age 60	
15 years	15 days to age 55	
20 years	15 days to age 55	

Different premium payment modes (annually, semi-annually, quarterly and monthly) are available for this plan.

Easy to join

No medical examination is required for new applications as long as the total annual premiums do not exceed the aggregate limit set for each insured, subject to our prevailing rules and regulations. Simply apply and gain lifelong protection.

Extended cover for your loved ones

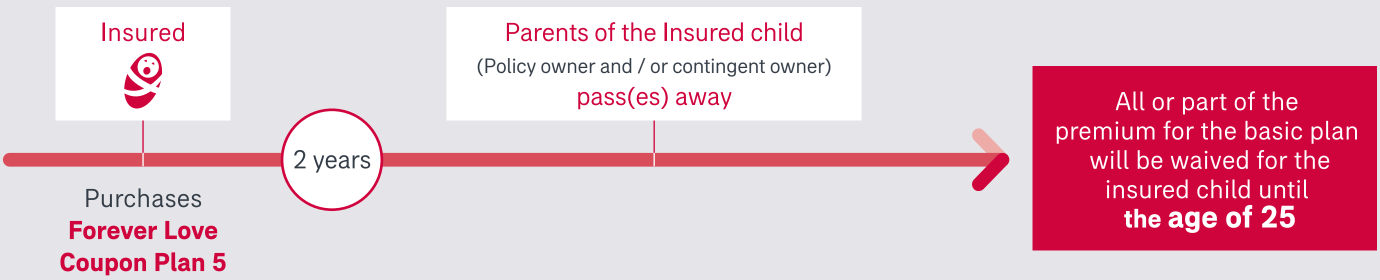
Forever Love Coupon Plan 5 could help you extend a safety net over your loved ones - with no health information required. If the parent of an insured child or the spouse of an insured adult passes away before the age of 80, we will activate the Waiver of Premium on Death (Parents) or the Waiver of Premium on Death (Spouse) (see below), which waives all or part of the future policy premiums to lighten your burden.

These benefits, which come with the basic policy, will become effective once the policy has been in force for 2 years, provided that the parent of an insured child or the spouse of an insured adult is at or below the age of 50 at the time of policy application.

Protect your child's future

To safeguard your child's cover, the Waiver of Premium on Death (Parents) will be provided under the policy to insure your child who is below the age of 18 at the time of policy application. If you (i.e. the policy owner) and / or the contingent owner pass(es) away before age of 80, provided that the policy has been in force for 2 years, the insured child will continue to enjoy protection without having to pay all or part of the future premiums for the basic plan until the age of 25 of the insured child.

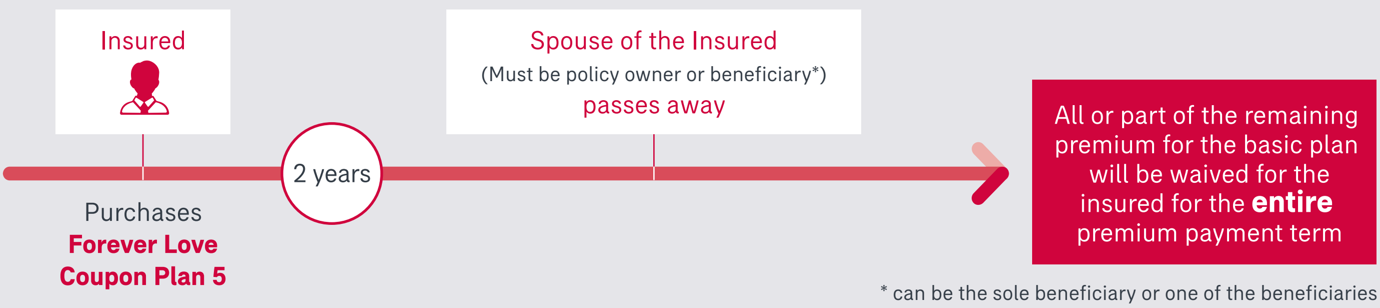
You and the contingent owner need to be at or below the age of 50 at the time of policy application. The contingent owner must be the insured child's parent.



Love for your spouse will endure

To ease your burden through life's darkest times, the Waiver of Premium on Death (Spouse) will be provided under **Forever Love Coupon Plan 5** with an insured adult at the age of 18 or above at the time of policy application. If the insured's spouse, who is either the policy owner or beneficiary of the policy*, passes away before the age of 80, provided that the policy has been in force for 2 years, the insured will continue to enjoy protection under the policy without having to pay all or part of the future premiums for the basic plan.

The insured's spouse must be at or below the age of 50 at the time of policy application.



* can be the sole beneficiary or one of the beneficiaries

To give you more flexibility, if there is a change in your family status, you may reassign a new family member who is at or below the age of 50 as the policy owner, contingent owner (if any) or beneficiary any time while the policy is in effect. The existing waiver of premium benefit will be suspended for a period of 2 years from the effective date of the relevant reassignment, after which it will resume, subject to the age and relationship requirements described above.

The aggregate principal amount for the purpose of determining the amount of premium to be waived under Waiver of Premium on Death (Parents & Spouse) under all **Forever Love Coupon Plan 5** policies for the same insured will not exceed a maximum sum of US$100,000 per life.

Extra cover for more protection

To support you against unfortunate circumstances, you may select an add-on plan under which we will waive the future premiums for **Forever Love Coupon Plan 5** if the insured becomes totally and permanently disabled before the age of 60.

In addition, you may select the **Payor Benefit Rider** under which we will waive the future premiums for the basic plan until the insured reaches the age of 25 should you pass away or suffer total and permanent disability before the age of 60.

Under either circumstance, we will continue distributing guaranteed cash payments so that your wealth can continue to accumulate, allowing your love to live on.

You can also choose from a range of optional add-on plans offering accident, medical, critical illness and disability protection if you want more cover. Once the basic plan is paid up, you can renew these add-on plans until their expiry by continuing to pay their respective premiums.

All add-on plans are subject to additional premiums, underwriting and exclusions. All benefits under add-on plans will be terminated when your **Forever Love Coupon Plan 5** terminates.

Examples

(The following examples are hypothetical and for illustrative purposes only. Actual dividends are not guaranteed and are declared at AIA's sole discretion.)

Policy owner:	Mrs Cheung (Mother)
Insured:	Rachel Cheung (Newborn daughter, age 0)

Mrs Cheung has decided to purchase **Forever Love Coupon Plan 5** to accumulate savings for her newborn daughter to provide her with every opportunity for a bright future. The principal amount is US$100,000, with a 6-year premium payment term. The annual premium is approximately US$16,557.

Guaranteed Cash Payments

Guaranteed cash payments of US$2,100 will be distributed annually from the end of the 1st policy year until Rachel (the insured) reaches the age of 100.

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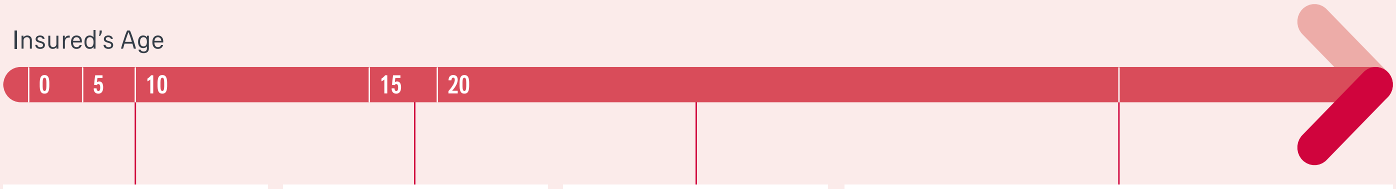
Additional guaranteed cash payments of US$400 will be distributed annually from the end of the 1st policy year to the end of the 20th policy year.



Age 10
Cash withdrawal:
US$7,000^

To pay for tuition and the development of her child's potential.

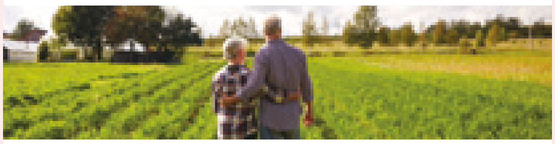
Age 18
Cash withdrawal:
US$55,000^

To pay for her child's university fees.

Age 32
Cash withdrawal:
US$63,000^

To pay for her child's wedding and home renovation costs.

Age 65
Projected total surrender value:
US$597,714^



To give her child the financial freedom to enjoy life.

At the end of policy year, policy's projected total surrender value is **US$597,714**, of which the sum of guaranteed cash value and the accumulated guaranteed cash payments (excluding interest) is **US$79,409** while non-guaranteed surrender value is **US$518,305**.

It is assumed that the cash amount under the policy is fully withdrawn at the age of 65 and the policy will be terminated immediately.

^ Cash withdrawal made will be deducted first from any accumulated guaranteed cash payments, then from any accumulated Annual Dividends and interest. The value is based on the current dividend scales and accumulation interest rate of 3.5% p.a. on Annual Dividends and annual guaranteed cash payments. The current dividend scales and interest rates are neither indicative of future performance nor guaranteed. Past performance or current performance of our business should not be interpreted as a guide for future performance. The actual Annual Dividends, accumulation interest rates and Terminal Dividend payable throughout the duration of the policy may vary at AIA's sole discretion, which may be less or more favourable than those illustrated. The above example assumes that no policy loans are taken throughout the term of the policy and that all premiums are paid in full when due.

Policy owner: Simon (age 35, non-smoker, Marketing Director)

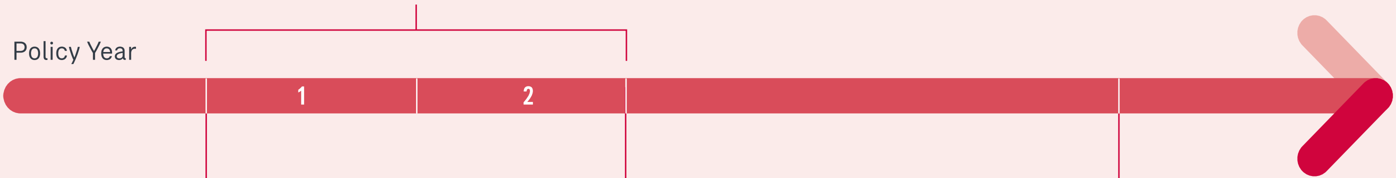
Policy 1
Insured: Simon's wife, Monica (age 35)

Policy 2
Insured: Simon's son, Tommy (age 0)
Contingent owner: Monica

As Simon and Monica celebrate the birth of their new born son, Simon realises the need to secure more advanced protection for his family. That's why he purchases **Forever Love Coupon Plan 5** to cover his wife, Monica, and his son, Tommy.

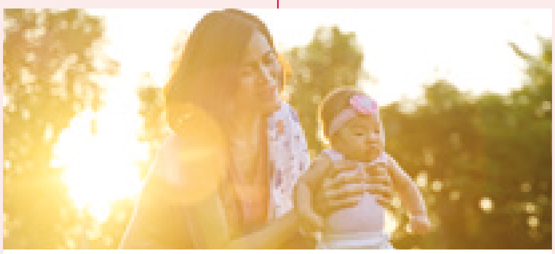
Forever Love Coupon Plan 5 offers the feature – **Waiver of Premium on Death (Spouse)**, which provides extended cover and continued lifelong protection for Monica if, unfortunately, Simon passes away.

The Plan's another feature – **Waiver of Premium on Death (Parents)**, offers solid and comprehensive protection for Simon's son, Tommy. This feature is truly unique in the market in that it covers not only the policy owner but also the contingent owner (Tommy's Mother, Monica). In the unfortunate event that either Simon or Monica passes away, Tommy can stay protected as he grows up. With this dual safety net stretched over his family, Simon can focus on making memories with his loved ones, no matter what the future brings.



Simon purchases **Forever Love Coupon Plan 5** for his wife and son.

The insured can enjoy the Waiver of Premium on Death (Parents / Spouse) once the policy has been in force for 2 years[1].



If Simon unfortunately passes away

All or part of the future premium payments[3] are waived for both Monica (Policy 1) and her son (Policy 2)[2] after the death of Simon. They both remain entitled to a stable and regular cash payments, alleviating some of Monica's financial anxiety following the loss of a family breadwinner.

1. The parent of an insured child or the spouse of an insured adult is at or below the age of 50 at the time of policy application. A waiver of premium benefit will take effect if the parent of an insured child or the spouse of an insured adult passes away before the age of 80.
2. If the insured child is below the age of 18 at the time of policy application, the premium of the basic plan will be waived until the insured reaches the age of 25.
3. The aggregate principal amount for the purpose of determining the amount of premium to be waived under Waiver of Premium on Death (Parents & Spouse) under all Forever Love Coupon Plan 5 policies for the same insured will not exceed a maximum sum of US$100,000 per life.

For the details of terms & conditions of Waiver of Premium on Death (Parents & Spouse), please refer to page 3 of this product brochure and the policy contract.

Important Information

This brochure does not contain the full terms and conditions of the policy. It is not, and does not form part of, a contract of insurance and is designed to provide an overview of the key features of this product. The precise terms and conditions of this plan are specified in the policy contract. Please refer to the policy contract for the definitions of capitalised terms, and the exact and complete terms and conditions of cover. In case you want to read policy contract sample before making an application, you can obtain a copy from AIA. This brochure should be read along with the illustrative document (if any) and other relevant marketing materials, which include additional information and important considerations about this product. We would like to remind you to review the relevant product materials provided to you and seek independent professional advice if necessary.

This brochure is for distribution in Hong Kong / Macau only.

Dividend Philosophy

This is a participating insurance plan in which we share a portion of the profits earned on it and related participating insurance plans with the policy owners. It is designed to be held long term. The premiums of a participating insurance plan will be invested in a variety of assets according to our investment strategy. The cost of policy benefits (including guaranteed and non-guaranteed benefits as specified in your plan that may be payable on death or surrender, as well as charges we make to support policy guarantees (if applicable)) and expenses will be deducted as appropriate from premiums of the participating insurance plan or from the invested assets. We aim to ensure a fair sharing of profits between policy owners and shareholders, and among different groups of policy owners. For this plan's target profit sharing ratio between policy owners and shareholders, please visit our website at https://www.aia.com.hk/en/our-products/further-product-information/profit-sharing-ratio.html.

Divisible surplus refers to profits available for distribution back to policy owners as determined by us. The divisible surplus that will be shared with policy owners will be based on the profits earned from your plan and related groups of similar plans or similar group of policies (as determined by us from time to time by considering factors such as benefit features, policy currencies and period of policy issuance), divisible surplus may be shared with the policy owners in the form of annual dividends and terminal dividends as specified in your policy. A very significant proportion of such divisible surplus arising from the experience from your plan and related groups of similar plans or similar group of policies will be shared with policy owners.

We review and determine the dividend amounts payable to policy owners at least once per year. Divisible surplus depends on the investment performance of the assets which we invest in and the amounts of benefits and expenses we need to pay for the plan. It is therefore inherently uncertain. Nevertheless, we aim to deliver relatively stable dividend payments over time through a smoothing process by spreading out the gains and losses over a period of time. The actual dividends declared may be different from those illustrated or projected in any insurance plan information provided (e.g. benefit illustrations) depending on whether the divisible surplus, past experience and/or outlook are different from what we expected. If dividends are different, this will be reflected in the policy anniversary statement.

A committee has been set up to provide independent advice on the determination of the dividend amounts to the Board of the Company. The committee is comprised of members from different control functions or departments within the organisation both at the AIA Group level as well as Hong Kong local level, such as office of the Chief Executive of the Company, legal, compliance, finance, investment and risk management. Each member of the committee will endeavour to exercise due care, diligence and skill in the performance of his or her duties as a member. The committee will utilise the knowledge, experience, and perspectives of each individual member to assist the Board in the discharge of its duty to make independent decisions and to manage the risk of conflict of interests, in order to ensure fair treatment between policy owners and shareholders, and among different groups of policy owners. The actual dividends, which are recommended by the Appointed Actuary, will be decided upon the deliberation of the committee and finally approved by the Board of Directors of the Company, including one or more Independent Non-Executive Directors, and with written declaration by the Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary on the management of fair treatment between policy owners and shareholders.

To determine the dividends of a participating policy, we consider both past experience and the future outlook of all factors including, but not limited to, the following:

Investment returns: include interest earnings, dividends and any changes in the market value of the backing assets, i.e. the assets in which we invest your premiums (the cost of policy benefits and expenses will be deducted from the investment). Depending on the asset allocation adopted for the insurance plan, investment returns could be affected by fluctuations in interest income (both interest earnings and the outlook for interest rates) and various market risks, including interest rate risk, credit spread and default risk, fluctuations in listed and private equity prices, real estate prices as well as foreign exchange currency if the currency of the backing assets is different from the policy currency, etc.

Claims: include claims for death benefits and any other insured benefits under the insurance plan.

Surrenders: include policy surrenders, partial surrenders and policy lapses; and their corresponding impact on the backing assets.

Expenses: include both expenses directly related to the policy (e.g. commission, underwriting, issue and premium collection expenses) and indirect expenses allocated to the insurance plan (e.g. general administrative costs).

Some participating insurance plans (if applicable) allow the policy owners to place their annual dividends, guaranteed and non-guaranteed cash payments, guaranteed and non-guaranteed incomes, guaranteed and non-guaranteed annuity payments with us, potentially earning interest at a non-guaranteed interest rate. To determine such non-guaranteed interest rate, we consider the returns on the pool of assets in which these amounts are invested with reference to the past experience and future outlook. This pool of assets is segregated from other investments of the Company and may include bonds and other fixed income instruments. You have the right to request for historical accumulation interest rates before committing the purchase.

For dividend philosophy and dividend history, please visit our website at https://www.aia.com.hk/en/dividend-philosophy-history.html

Investment Philosophy, Objective and Strategy

Our investment philosophy aims to deliver sustainable long-term returns in line with the insurance plan's investment objectives and the Company's business and financial objectives.

Our aforementioned objectives are to achieve the targeted long-term investment results while minimising volatility in investment returns to support the liabilities over time. They also aim to control and diversify risk exposures, maintain adequate liquidity and manage the assets with respect to the liabilities.

Our current long-term target strategy is to allocate assets attributed to this insurance plan as follows:

Asset Class	Target Asset Mix (%)
Bonds and other fixed income instruments	65% - 85%
Growth assets	15% - 35%

The bonds and other fixed income instruments predominantly include government and corporate bonds and are mainly invested in the United States and Asia-Pacific. Growth assets may include listed equity, equity mutual funds, physical real estate, real estate funds, private equity funds and private credit funds, and are mainly invested in the United States, Asia-Pacific and Europe. Growth assets generally have a higher long-term expected return than bonds and fixed income assets but may be more volatile in the short term. The range of target asset mix may be different for different participating insurance plans. Our investment strategy is to actively manage the investment portfolio i.e. adjust the asset mix in response to the external market conditions and the financial condition of the participating business. For example, there is a smaller proportion of growth assets when interest rates are low and a larger proportion of growth assets when interest rates are high. When interest rates are low, the proportion of growth assets may be even smaller than the long-term target strategy, so as to allow us to minimise volatility in investment returns and to protect our ability to pay the guaranteed benefits under the insurance plans, whereas the proportion of the growth assets may be even larger than the long-term target strategy when interest rates are high to allow for the possibility that we may share more investment opportunities in growth assets with the policy owners.

Subject to our investment objectives, we may use a material amount of derivatives to manage our investment risk exposure and for matching between assets and liabilities, for example, the effects of changes in interest rates may be moderated, while allowing for more flexibility in asset allocation.

Our currency strategy is to minimise currency mismatches. For bonds or other fixed income instruments, our current practice is to endeavour to currency-match bond purchases with the currency of the underlying policy (e.g. US Dollar assets will be used to back US Dollar insurance plans). Subject to market availability and opportunity, bonds may be invested in a currency other than the currency of the underlying policy and currency swaps may be used to minimise the currency risks. Currently assets are mainly invested in US Dollar. Growth assets may be invested in a currency other than the currency of the underlying policy and the selection is done according to our investment philosophy, investment objectives and mandate.

We will pool the investments from similar participating insurance plans to determine the return and we will allocate the return to specific participating insurance plans with reference to their target asset mix. Actual investments (e.g. geographical mix, currency mix) would depend on market opportunities at the time of purchase, hence may differ from the target asset mix.

The investment strategy is subject to change depending on the market conditions and economic outlook. Should there be any material changes in the investment strategy, we will inform policy owners of the changes, with underlying reasons and expected impact to the dividends.

Key Product Risks

1. You should pay premium(s) on time and according to the selected premium payment schedule. If you stop paying the premium before completion of the premium payment term, you may surrender the policy, otherwise, the premium will be covered by a loan taken out on the policy automatically. When the loan balance exceeds the sum of guaranteed cash value and accumulated Annual Dividends with interest (if any) of the basic plan, the policy will terminate and you will lose the cover. The surrender value of the policy will be used to repay the loan balance, and we will refund any remaining value.

2. The plan makes certain portion of its investment in growth assets. Returns of growth assets are generally more volatile than bonds and other fixed income instruments, you should note the target asset mix of the product as disclosed in this product brochure, which will affect the dividends on the product. The savings component of the plan is subject to risks and possible loss. Should you surrender the policy early, you may receive an amount considerably less than the total amount of premiums paid.

3. You may request for the termination of your policy by notifying us in written notice. Also, we will terminate your policy and you / the insured will lose the cover when one of the following happens:

    - the insured passes away;
    - you do not pay the premium within 31 days of the due date and the policy has no cash value;
    - any benefit is paid under the basic plan or an add-on plan that triggers termination of the policy; or
    - the outstanding debt exceeds the guaranteed cash value of the policy. Where the premium is covered by a loan taken out on the policy automatically, the outstanding debt exceeds the sum of guaranteed cash value and accumulated Annual Dividends with interest (if any) of your policy.

Effective from 1 January 2018, all policy owners are required to pay a levy on each premium payment made for both new and in-force Hong Kong policies to the Insurance Authority (IA). For levy details, please visit our website at www.aia.com.hk/useful-information-ia-en or IA's website at www.ia.org.hk.

4. We underwrite the plan and you are subject to our credit risk. If we are unable to satisfy the financial obligations of the policy, you may lose your premium paid and benefits.

5. You are subject to exchange rate risks for plans denominated in currencies other than the local currency. Exchange rates fluctuate from time to time. You may suffer a loss of your benefit values and the subsequent premium payments (if any) may be higher than your initial premium payment as a result of exchange rate fluctuations. You should consider the exchange rate risks and decide whether to take such risks.

6. Your current planned benefit may not be sufficient to meet your future needs since the future cost of living may become higher than they are today due to inflation. Where the actual rate of inflation is higher than expected, you may receive less in real terms even if we meet all of our contractual obligations.

Key Exclusions to Accidental Death Benefit

Accidental Death Benefit will not cover any conditions that result from any of the following:

- self-destruction while sane or insane, participation in a fight or affray, being under the influence of alcohol or a non-prescribed drug
- war, service in armed forces in time of war or restoration of public order, riot, industrial action, terrorist activity, violation or attempted violation of the law or resistance to arrest
- racing on wheels or horse, scuba diving
- ptomaines or bacterial infection (except pyogenic infection occurring through an accidental cut or wound)
- air travel, including entering, exiting, operating, servicing or being transported by any aerial device or conveyance (except as a passenger of a commercial passenger airline on a regular scheduled passenger trip over its established passenger route)

The above list is for reference only. Please refer to the policy contract of this plan for the complete list and details of exclusions.

Claim Procedure

If you wish to make a claim, you must send us the appropriate forms and relevant proof. You can get the appropriate claim forms in www.aia.com.hk, from your financial planner, by calling the AIA Customer Hotline (852) 2232 8888 in Hong Kong, or (853) 8988 1822 in Macau, or by visiting any AIA Customer Service Centre. For details related to making a claim, please refer to the policy contract. If you wish to know more about claim related matter, you may visit "File A Claim" section under our company website www.aia.com.hk.

Suicide

If the insured commits suicide within one year from the date on which the policy takes effect, our liability will be limited to the refund of premiums paid (without interest) less any outstanding debt.

Incontestability

Except for fraud or non-payment of premiums, we will not contest the validity of this policy after it has been in force during the lifetime of the insured for a continuous period of two years from the date on which the policy takes effect. This provision does not apply to any add-on plan providing accident, hospitalisation or disability benefits.

Cancellation Right

You have the right to cancel and obtain a refund of any premiums and any levy paid by giving written notice to us. Such notice must be signed by you and submitted to the Customer Service Centre of AIA International Limited at 12/F, AIA Tower, 183 Electric Road, North Point, Hong Kong or the Customer Service Centre of AIA International Limited at Unit 201, 2F, AIA Tower, 251A-301 Avenida Comercial de Macau, Macau within 21 calendar days immediately following either the day of delivery of the policy or the Cooling-off Notice to you or your nominated representative, whichever is the earlier.